

Small-Cap Stocks: Quality Dividends or Value for Income?

- 84% of the 106 companies in OUSM have increased their dividend per share over the past 12 months vs. just 49% for the dividend paying companies in the Russell 2000 Value Index. Only 7% of the companies in OUSM saw their dividend payout decrease during the trailing 12-month period compared to 32% for the dividend paying companies in the Russell 2000 Value.
- Energy, Communication Services, Real Estate, Consumer Discretionary and Industrials are among sectors with the biggest proportion of companies that cut dividends.
- Stocks of companies in OUSM experienced proportionately less dividend cuts in all sectors vs. Value.

Sector	Trailing 12-month Dividend Change (% of Dividend Payers)							
	Weight		Increase		Decrease		No Change	
	OUSM	Value	OUSM	Value	OUSM	Value	OUSM	Value
Industrials	21%	17%	90%	32%	5%	38%	5%	31%
Financials	20%	28%	80%	66%	5%	20%	15%	14%
Information Technology	18%	6%	81%	29%	6%	19%	13%	52%
Consumer Discretionary	12%	13%	67%	33%	25%	57%	8%	9%
Health Care	9%	6%	60%	44%	-	33%	40%	22%
Consumer Staples	9%	4%	80%	50%	10%	25%	10%	25%
Utilities	7%	5%	100%	95%	-	0%	-	5%
Communication Services	4%	2%	100%	16%	-	63%	-	21%
Energy	0%	4%	-	32%	-	64%	-	4%
Materials	0%	6%	-	50%	-	20%	-	30%
Real Estate	0%	9%	-	30%	-	48%	-	22%
Total	100%	100%	84%	49%	7%	32%	9%	19%

Source: Bloomberg Finance L.P. Data as of 10/30/2020. Past performance does not guarantee future results. Investors cannot directly invest in an index

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The securities of small capitalization companies are often more volatile and less liquid than the stocks of larger companies and may be more affected than other types of securities during market downturns. Compared to larger companies, small capitalization companies may have a shorter history of operations, and may have limited product lines, markets or financial resources.

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